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18	EASTERN	I EUROPEAN	INTELLIGENCE	24 January 19	25X1
Yugoslavs	Berate Bul	garians O	ver Macedonia		

In an article on 14 January entitled "The Ghost of San Stefano; Revival of Old Pretensions," the Belgrade press has accused its Sofia counterparts of again putting forth Bulgarian claims to Yugoslav Macedonia. The Yugoslavs were objecting to an article in the Sofia "Rabotnicesko Delo" entitled "On the Occassion of the 90th Anniversary of the Liberation of Bulgaria." which discussed the Treaty of San Stefano.

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COMMENT: The Macedonian issue between Yugoslavia and Bulgaria had been dormant lately, until this sudden affront to Belgrade's sensitivity. The San Stefano Treaty of 1878 not only made Bulgaria independent, but set up a large Bulgarian state which included most of Macedonia. It was superceded at the insistance of the great powers by the Treaty of Berlin later the same year, which established a small Bulgarian state. Ever since then, the San Stefano Treaty has been a rallying cry for Bulgarian nationalists and anathema to the Yugoslav regime, whose claim of a separate Macedonian nationality within the Yugoslav federation has never been fully acknowledged by Sofia.

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Yugoslav Industrial Production Lags

Three relatively underdeveloped republics, Bosnia-Hercegovina, Serbia, and Montenegro, suffered declines in their industrial production in 1967, according to final Yugoslav statistics. However, production increased in the more advanced republics of Croatia, Slovenia, and the underdeveloped republic of Macedonia. Industrial production in Yugoslavia as a whole declined four tenths of one percent from 1966.

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COMMENT: The decline will reinforce the arguments of those in the underdeveloped areas who oppose the regime's liberal economic reforms, and heighten national economic rivalries in Yugoslavia. The three republics which increased their production are the same ones which cooperated in bringing about the ouster of former party secretary Aleksandar Rankovic, a Serb and head of the conservative faction in the party, who opposed the reforms.

Rumanian Premier Received by the Pope

Premier Maurer and Foreign Minister Manescu were received in a private audience by Pope Paul VI on 24 January. The Rumanians had concluded an official visit to Rome on 23 January.

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COMMENT: This meeting, the first between a Pontiff and the Rumanian Communist leaders almost certainly is related to Bucharest's seeming effort to play the role of a mediator in the Vietnam war. In following President Johnson's lead of talking about a solution to Vietnam with the Pope, the Rumanians do not imperil their mediation role -- at least with Washington. At the same time, the meeting will bring additional popular attention to bear on resolving the crisis.

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